

MANAGEMENT APPROACH TO SOCIAL HOUSING TO SUPPORT THE WELFARE OF THE ELDERLY

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1. Introduction

The deteriorating demographics in the majority of developed countries, which is reflected in the aging of societies, obviously entail some economic and social problems. This impact is associated with the welfare position of the elderly. A shrinking labor force and a growing elderly population are major threats to the sustainability and adequacy of pension systems. According to Eurostat statistics, between 2005 and 2018, in many European countries the increase in at-risk-of-poverty rates in the age cohort of 60+ was considerably greater than the increase in the below-60 age group. It mostly affected Central and Eastern European (CEE) countries (such as Bulgaria, Czechia, Estonia, Latvia, Lithuania, Hungary, Poland, and Slovakia), but not solely (e.g., Germany, the Netherlands, and Luxembourg). The prospects for future retirees are not optimistic, as in face of major demographic, economic, and social changes governments are forced to reduce their welfare systems, predominantly by cutting pension benefits. According to the projections of net theoretical replacement rates (TRR) for EU Member States, in the vast majority of EU countries the estimated change in TRR between 2016 and 2056 is negative; for some countries, such as Poland and Romania, the drop exceeds 40% (European Commission 2018), which is a tremendous deterioration. Among different ideas intended to improve the position of the elderly in the future, one can distinguish the role of housing. The connection between housing and welfare is widely acknowledged in the current literature. For example, Torgensern (1987) points out the role of housing in the welfare package by naming it a “wobbly pillar under the welfare state”, the least decommodified area of welfare among pensions, health care, education, and other social services. Decommodification can be described as the individual’s economic well-being independent of the paid labor market (see Esping-Andersen 1990). Housing is less a social right, and more an individual responsibility, than the abovementioned areas of social policy. That is why housing is predominantly seen as the part of a life-cycle wealth accumulation strategy which can bring in-kind income or cash income to an individual during retirement. Such a concept can be referenced to theoretical developments such as the asset-based welfare theory (Sherraden 1991), which later evolved into the housing asset-based theory (Toussaint and Elsinga 2009; Ronald et al. 2015). Nonetheless, housing is still a considerable area of

social policy and a social service, which — along with various other vulnerable social groups — is intended for the elderly.

This paper deals with the topic of social housing which supports seniors. Its aim is to identify the key aspects of social housing management with the older population as a target group. The link between effective functioning of the public sector and citizens' welfare is evident. Therefore, in this paper special emphasis is placed on the managerial approach to social housing as a way of maximizing performance in delivering public services, with a special focus on satisfying the housing needs of the elderly. As the role of the public sector mainly applies to social housing, this area is of particular interest in this paper. However, other public governance interventions which are not directly connected with the delivery of public services are acknowledged (such as setting legal frameworks for the private sector in terms of housing regulations). As summarized by Hwang et al. (2019) previous research on housing from a customer's perspective can be categorized into four broad areas: housing behavior, housing satisfaction, policy, and design. The authors also indicate fairly unexplored areas, such as adjustments in local policy to meet the growing demand for social housing for seniors, current housing stock assessment, housing modifications, including those involving technology. These aspects also refer to the challenges for institutions and entities which govern or manage housing stock.

First, this paper discusses various management aspects at different governance levels (state, municipality, and housing organization) which are applicable to social housing in general, as well as with reference to older people. Second, it provides some statistics concerning the housing and the economic situation of the elderly population in European countries.

2. Governance issues in social housing – an overview

The three most common ways of satisfying an individual's housing needs include acquiring one's own home, renting privately, or public renting. A whole range of policy measures can be taken to facilitate the achievement of this goal with reference to vulnerable social groups (the elderly, among others). Table 1 presents the detailed classifications of the policy instruments which can be divided into three broad categories: schemes for homebuyers to foster homeownership, schemes for homeowners and tenants that involve some sort of financial subsidy, and schemes strictly dedicated to tenants consisting of arrangements that guarantee tenants' rights and provide social housing. It reports the number of countries that adopted each policy (out of a total of 46 countries surveyed by the OECD in the Questionnaire on Affordable and Social Housing [QuASH]). It seems justified to state that among the measures listed, the most helpful for elderly welfare are housing allowances and social rental housing.

Table 1. Overview of housing policy instruments (2018 or latest year available)

Housing policy instruments	Number of reporting countries adopting each policy type
Schemes for homeowners/buyers	
Financial support for housing regeneration	41
Tax relief for access to homeownership	34
Subsidized mortgages and guarantees to homebuyers	29
Subsidies to facilitate homeownership	24
Mortgage relief for over-indebted homeowners	18
Schemes for homeowners and tenants	
Housing allowances	37
Subsidies to develop affordable housing (other than social housing)	24
Schemes for renters	
Social rental housing	34
Some form of rent control (on initial levels and/or increases)	24
Minimum quality regulations for rental dwellings	21
Measures to regulate short-term holiday rentals	19
Tax relief measures for rental costs	14
Rent guarantees and deposits	11

Source: OECD, *QuASH 2016, 2019*.

There is no unified definition of social housing (see Hansson and Lundgren 2019 for a review); however, its most emphasized features are 1) target groups comprised of people with low incomes and/or with a particular socioeconomic status and 2) providers which are public-sector entities (state or municipal government), non-profit organizations, or for-profit private organizations. With reference to the provider, one can consider different levels of governance being associated with social housing policies. The state is responsible mostly for policy design and specific social housing regulations. However, at this level the state can also act as a social housing provider via public agencies. The lower level of governance is the municipality (local government). Typically, it is involved in the provision of social housing and maintenance as owner of the social housing stock, but it may also be responsible for local social housing regulations. The third level of governance, which is a housing association/community or non-profit organization, is directly engaged in everyday maintenance and day-to-day management. Figure 1 presents different solutions for providers of social housing used in various countries. As shown, in many countries a mix of different kinds of providers offer social housing services. However, local authorities (municipality level) most frequently act as social housing providers, as do non-profit organizations.

Although the core service of social housing providers is social rental housing and its maintenance, the scope of their operations can be broader. Scanlon et al. (2017), in their report concerning the activity of housing associations in the UK,

identify several kinds of services provided in addition to pure social renting. These include social care targeted towards particular vulnerable groups (e.g., people with certain disabilities, dementia, etc.) or pursuing educational programs in their communities (such as personal finance advice or professional skills training). In the case of older people, such initiatives can cover the prevention of loneliness as well. Housing associations in the UK also offer commercial services independently from social housing, which also includes market renting services.

In order to assess the range of social housing and the importance of this solution as a housing policy instrument, Table 2 presents the share of social rental dwellings in the total housing stock. According to OECD data (QuASH), the greatest proportion of dwellings as social rentals is reported for the Netherlands, Denmark, and Austria, where it exceeds 20%. At the other end of the scale, there are countries such as Latvia, Czechia, and Lithuania, where the proportion is less than 1%.

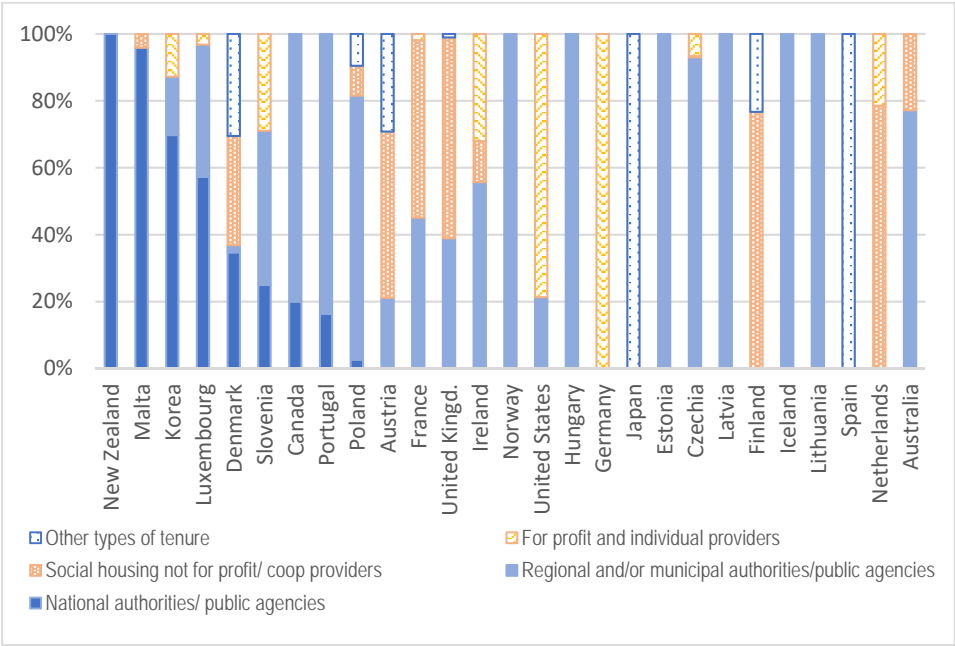


Fig. 1. Percentage of total social rental housing stock by type of provider (2018 or latest year available)

Source: OECD, QuASH 2016, 2019.

Table 2. Number of social rental dwellings as a percent of the total number of dwellings (2018 or latest year available)

Country	Percent of total housing stock	Year	Country	Percent of total housing stock	Year
Netherlands	37.7	2018	Canada	4.1	2011
Denmark	21.2	2018	Hungary	4.0	2013
Austria	20.0	2018	Spain	4.0	2017
United Kingdom	16.9	2018	New Zealand	3.7	2018
France	14.0	2018	United States	3.3	2017
Ireland	12.7	2016	Japan	3.1	2018
Iceland	11.1	2018	Germany	2.9	2017
Finland	10.5	2017	Portugal	2.0	2011
Poland	7.6	2017	Luxembourg	1.6	2013
Slovenia	6.4	2015	Estonia	1.1	2017
Korea	6.4	2015	Lithuania	0.8	2017
Malta	5.5	2013	Czechia	0.4	2011
Australia	4.4	2017	Latvia	0.2	2013
Norway	4.3	2018			

Source: OECD, QuASH 2016, 2019.

The approach to social housing that includes managerial aspects requires a proper definition of social housing management. One can distinguish two areas that management may reference, which correspond to the aforementioned levels of governance. The first area refers to direct social housing maintenance, while the second is broader and concerns public authorities and their efficiency in delivering social housing as a public service, similarly to education, health care, public security, etc. As indicated by Pearl (1997), the common (narrow) understanding of social housing management refers to property management and activities such as rent collection, repairs, etc. Similarly, as defined by Power (2017) basic housing governance includes all of the activities that “operate within a given housing community, and that include the rules that govern the housing community as well as day-to-day management through processes such as maintenance”. This “first line” management — involving direct contact with a tenant — obviously has a great impact on the tenant’s perception of social housing. For example, specifically referring to older residents living in subsidized housing, Johnson et al. (1993) prove that the manager’s leadership style has a direct effect on residents’ satisfaction.

A broader view of social housing management is presented by Priemus et al. (1999). They define it as “the set of all activities to produce and allocate housing services from the existing social housing stock”. Additionally, among several different areas of interest of social housing managers, they specify four main categories: 1) technical management (maintenance), 2) social management

(housing allocation), 3) financial management, and 4) tenure management (buying, selling, and modifying properties). It can be argued that tenure management in particular is crucial with reference to seniors, as their physical condition very often requires special facilities. Fox et al. (2017), on the basis of a survey conducted among older tenants living in Irish social housing, highlight several aspects of housing arrangements that are especially important for older people, such as physical adaptation of a dwelling for disabled persons (e.g., bathroom adaptation, no stairs, nonslip floor surfaces), outdoor space (e.g., patio, balcony, or small garden, especially important for less mobile people), accessibility of technology for safety, security, and health monitoring, a safe and quiet neighborhood, which enables social contact as well as health and support services. All of these aspects are associated with the poorer and deteriorating general health of the elderly as compared to younger age groups. As noted by Fox et al. (2017), if such accommodations for disabilities are not directly provided in social housing, older people should be at least assisted in applying them.

Priemus et al. (1999) distinguish between day-to-day housing management and strategic housing management. The latter also includes all interactions with different stakeholders, such as municipality authorities, government authorities (regulators), financiers, current and future tenants, etc. If such strategic management refers to public-sector providers, it can be considered through the lens of three major theories of public service provision: traditional public administration, new public management, and new public governance (see Osborne 2010). Supromin and Choonhakhlai (2019) present different models of providing social services (at the municipality level) for the elderly, corresponding to the three aforementioned paradigms. The traditional public administration approach focuses on planning and policy implementation, with very limited cooperation with third parties. In a new public management model, municipalities cooperate with private-sector organizations and transfer some tasks to them. They pay more attention to efficient management. The new public governance model, which is the most complex one, assumes the co-production of public services entailing close cooperation — at both the planning and implementation stages — with various entities, including private-sector organizations, non-profit organizations, social partners, etc. The co-production concept seems to be a means to mitigating the undesirable effects which are likely to appear when the new public management approach is implemented. As argued by Sprigings (2002), the new management practices in social housing entail the discrepancy between social justice purposes and expected performance indicators. As a result, such objectives as the prevention of social exclusion or inequality are lost sight of.

3. Housing in Europe – the elderly perspective

In order to assess the need for social housing in the elderly population, at present and in the near future in European countries, it can be useful to take a closer look at the statistics. The findings from such an analysis can identify some present and

new challenges that policymakers and other parties involved in the management of social housing now face and will face in the future.

Figure 2 presents the most recent data on the distribution of the population in European countries by tenure status. In almost all of the countries studied, apart from Germany and Austria, the percentage of homeowners is greater than 60%. Especially in Central and Eastern European countries, it reaches very high levels — above 80%. This arises mainly from the fact that many CEE countries privatized a large amount of the public housing stock in the 1990s, after the political and market transition resulting from the collapse of communism (see, e.g., Pichler-Milanović 1999; Clapham 1995). Sitting tenants seized the opportunity to become owners of the dwellings they occupied at discounted prices. For this reason, in CEE countries there is a relatively low proportion of owners with mortgages or loans. With reference to tenants in the countries studied, their average proportion among the population is slightly higher than 25.3%. The majority of households in this group — 16.2% of the population in each country on average — pay rent at market prices, and 9.2% on average benefit from reduced prices or pay no rent. Social housing is mainly included in the latter category. Some of the countries where renting at reduced prices or for free is most popular are the United Kingdom, Ireland, France, and Slovenia.

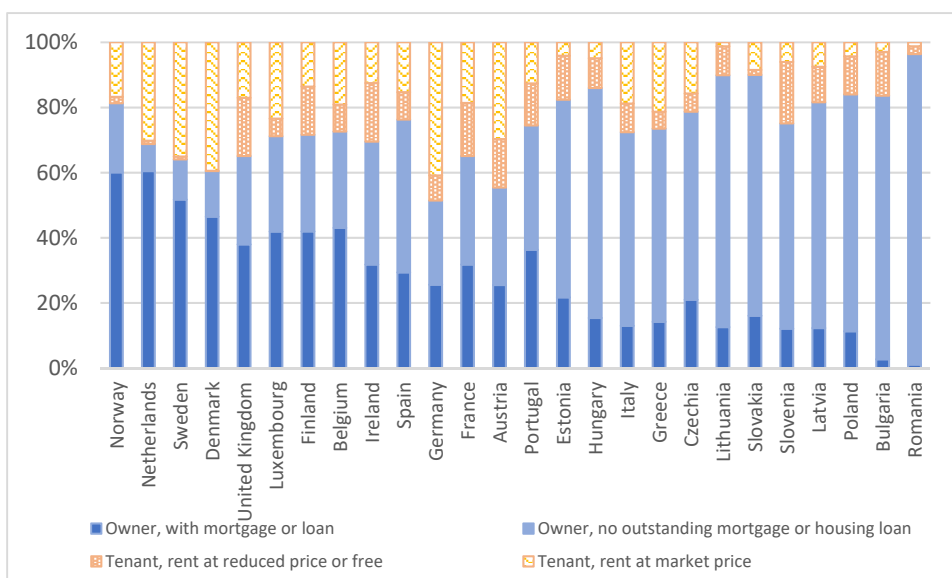


Fig. 2. Distribution of population by tenure status (2018)

Source: Eurostat (EU-SILC).

Some useful information about the trends in housing statistics can be observed when comparing the current state (the most recent data available are for 2018) with that of more than a decade ago. Figure 3 presents the data for 2007, just at the very beginning of the financial crisis, which had a severe impact on the real estate market in many countries. However, the picture is quite similar to 2018, and

no significant changes which would be common for all countries can be observed. This means that the effects of the financial crisis on the distribution of tenure status among the populations were not very relevant — or if they had a visible impact, it was only short-term. Nonetheless, there are countries where the difference between 2007 and 2018 is noticeable. For example, whereas in the majority of the countries there was a slight decline or a slight increase (lower than 3%) in the share of households benefitting from reduced or free rent, in Poland this figure in 2018 was 23.3% lower than in 2007, and in Czechia it was 15.1% lower. However, whereas in Poland this change was associated with an increase in the homeownership rate (by 21.4%), in Czechia it was accompanied mostly by a growth in the percentage of households renting their dwellings at market price (by 10.9%).

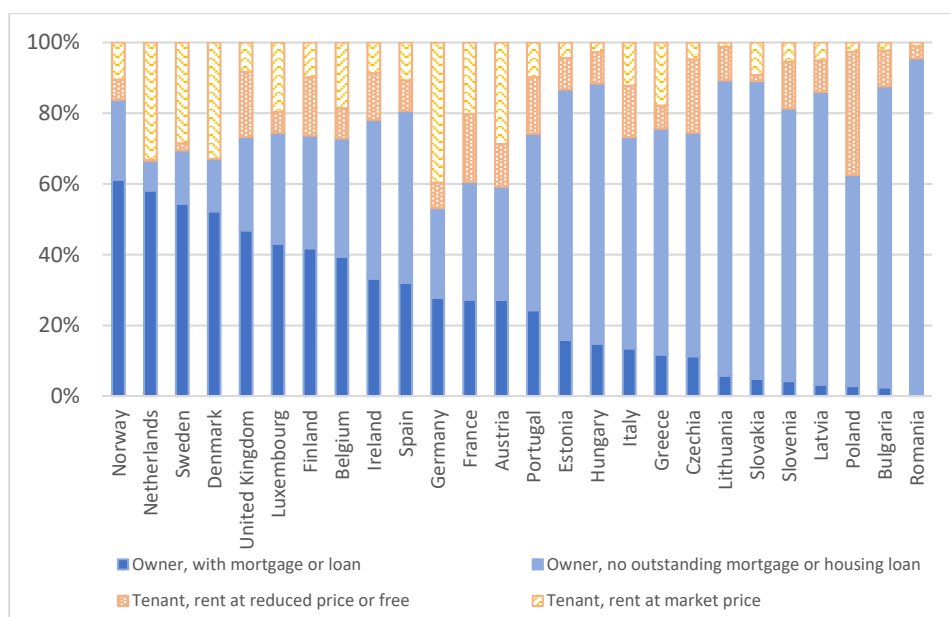


Fig. 3. Distribution of population by tenure status (2007)

Source: Eurostat (EU-SILC).

Figure 4 refers to the tenure status of the population aged 65 and above, which enables to consider specifically the elderly perspective. It presents the share of tenants (non-homeowners) in this group. As shown, there are significant differences among the countries in this respect. This diversity is even greater when compared to the whole population (see Figure 2). However, in average terms, among the elderly population the rates of homeownership are slightly lower than in the whole population. A very small percentage of older tenants is reported for some CEE countries: Croatia, Lithuania, Hungary, Romania, and Slovakia. Similarly, in Ireland, Spain, and Norway this share is below 10%. The countries where older tenants are a larger social group include Denmark, Germany, Cyprus, the Netherlands, Austria, and Sweden; the percentage of non-homeowners among people aged 65 and above exceeds 30% in these countries.

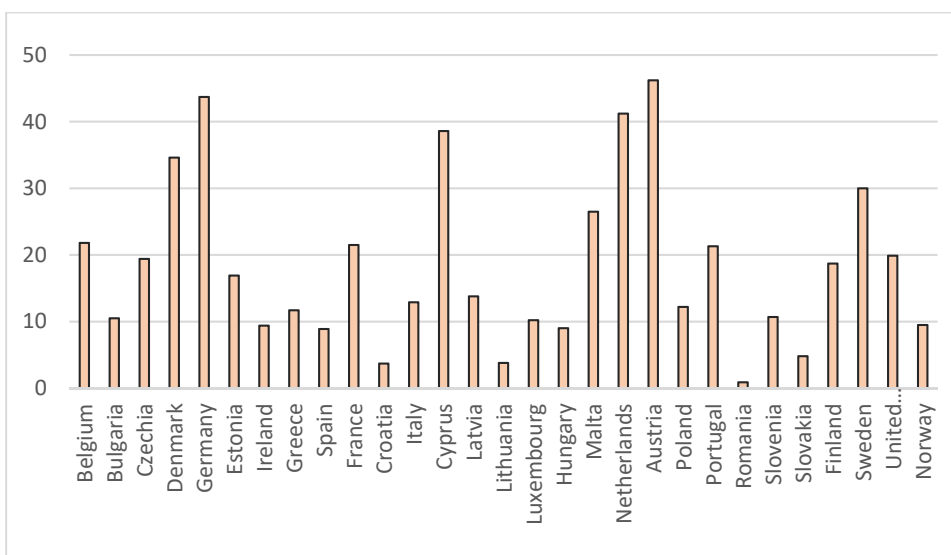


Fig. 4. Percentage of the population aged ≥ 65 years with the tenure status of non-homeowner (2018)

Source: Eurostat (EU-SILC).

Some previous studies have suggested that elderly women are especially at risk of housing problems, i.e., homelessness and inadequate housing, which is a consequence of their career paths (or lack thereof) which in turn arises from their traditional roles in society (Darab and Hartman 2013). To illustrate this problem, Figure 5 presents the gender differences in terms of severe material deprivation rate among people over the age of 75. This EU-SILC indicator expresses the proportion of the population unable (not unwilling) to pay for at least four of the following: 1) rent, mortgage, or utility bills; 2) keeping their home adequately warm; 3) unexpected expenses; 4) food to eat meat or protein regularly; 5) vacations; 6) a television set; 7) a washing machine; 8) a car; or 9) a telephone. It is a measure of absolute poverty related not to one's income, but to one's living conditions, also comprising housing in a general sense. The observed patterns in the countries studied reveal that the level of severe deprivation varies significantly. A particularly high severe material deprivation rate for women is reported for some CEE countries: Bulgaria, Croatia, Latvia, Lithuania, Romania, Slovenia, and Slovakia. This problem also concerns three Mediterranean countries: Portugal, Italy, and Greece. In almost all cases (Denmark being the sole exception), the rates for older women are higher than those for older men, and in

some countries they are even two or three times higher, so the differences between severe material deprivation rates for men and women are significant. The higher poverty levels among older women may be attributed first of all to the gender pension gap (see Bettio et al. 2013; Frericks et al. 2009), which results from the different working patterns of men and women.

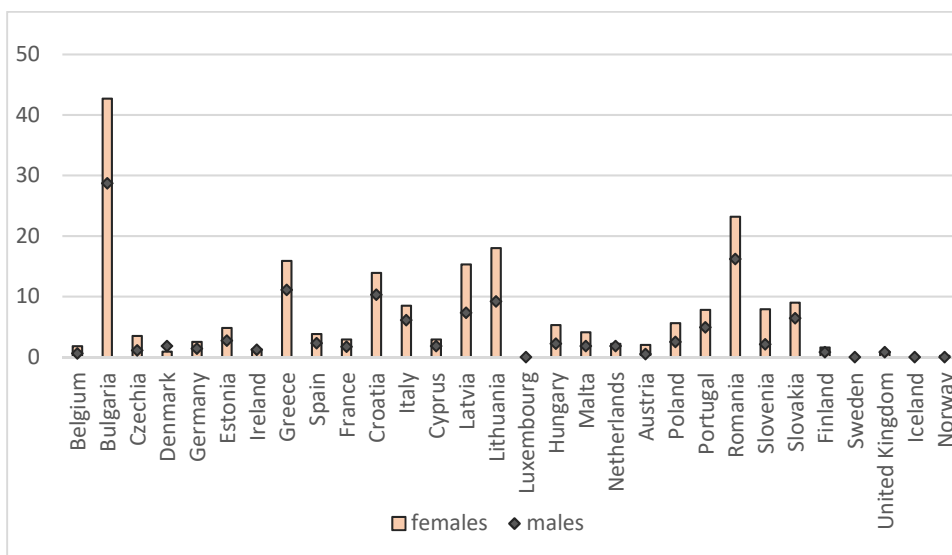


Fig. 5. Severe material deprivation rates among men and women in the >75 age cohort (2018)

Source: Eurostat (EU-SILC).

An indicator that specifically relates to housing affordability is the housing cost overburden rate. It is defined by Eurostat as the proportion of people living in households where the total housing costs are more than 40% of disposable income (the “net” of housing allowances). Figure 6 presents the housing cost overburden rate in the population of less affluent (below 60% of the median equivalized income) older men and women. Across the countries studied, the average percentage is 30.3% for women and 26.7% for men. However, there are some countries (Bulgaria, Denmark, Germany, and Greece) where more than half of the population faces very high housing costs relative to their incomes. Again, in each country there are differences between the rates for women and men, but contrary to the severe material deprivation rate, women are not so clearly more vulnerable to such problems. In nine countries, more men than women have problems with housing affordability, though the differences are quite minor (except for Norway). At the same time, there are countries where these gender differences exceed 10% (Bulgaria, Romania, Slovakia, and Sweden).

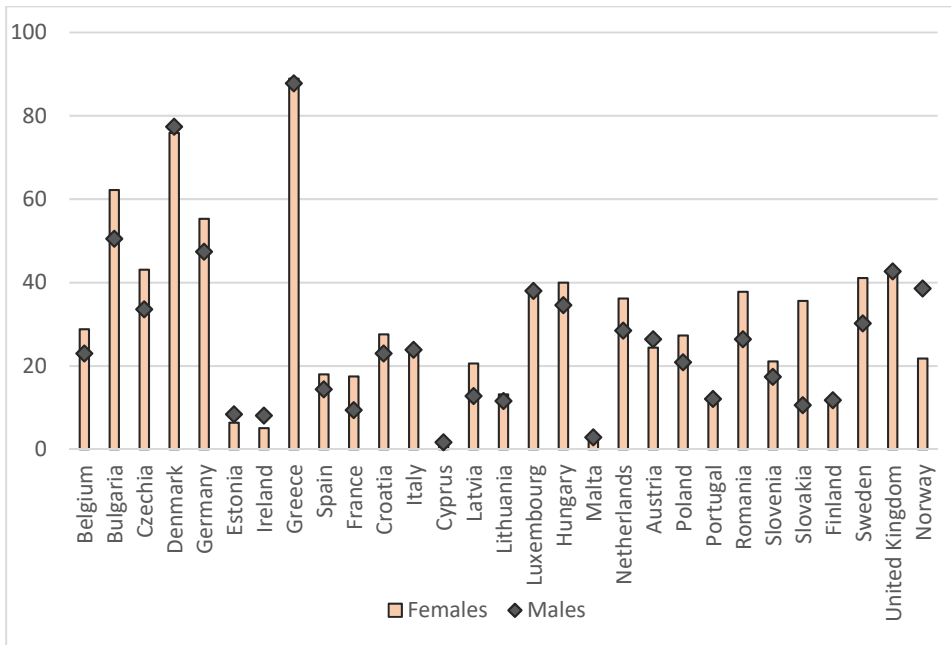


Fig. 6. Housing cost overburden rate of men and women (with incomes of less than 60% of the median equivalized income) in the >65 age cohort (2018)

Source: Eurostat (EU-SILC).

4. Conclusions

The development of social housing for seniors is consistent with the concept of “aging in place,” which denotes “remaining living in the community, with some level of independence, rather than in residential care” (Davey et al. 2004, p. 133). It is believed to have positive impact on the emotional, social, and functional wellbeing of older people, and this issue has been widely discussed in the current literature from many perspectives (see Vasunilashorn et al. 2012 and Hwang et al. 2019 for a summary). This implies that social housing for elderly people who are not homeowners and cannot afford private rent at market prices is particularly important. However, in order for social housing to meet the particular needs of older people, it requires both proper policy design and adequate governance.

As shown in this paper, the management issues can be related to different levels of governance. They cover various tasks associated with all aspects of accomplishing the objective of providing social housing. However, when considering social housing as a public service, the managerial performance criteria (such as, e.g., cost efficiency) cannot displace or overshadow the social objectives. In the case of housing for the elderly, it is important to take into account the special needs of this group resulting from their poor physical health.

This paper presents some statistical data corresponding to the current, but also future, demand of older people for social housing as a public service. According to the findings by van Vliet et al. (2020), who analyzed Luxemburg Income Study

data for the time span of 1985-2013, despite the fact that the poverty rates for people aged 65 and above declined during the period studied, in many countries they are still higher than those of the working-age population. Moreover, the tendency seems to be quite different in the latter group, as the poverty rate among people under the age of 65 increased between 1985 and 2013. The data presented in this study also confirm that seniors are vulnerable to poverty and social exclusion. This affects the Central and Eastern European countries to a greater extent. Although in CEE countries homeownership rates are much higher than in, e.g., Western European countries, older people there are in a worse economic situation. Thus, to improve the welfare of the elderly in these countries, some other means should be taken, as social housing development applies to a relatively small proportion of the elderly population.

The data presented also reveal that female seniors are more exposed to poverty risk. Unless the situation of women on the labor market is improved, in terms of greater participation, equal pay, and more sustainable careers, the process of pension privatization and individualization (see Frericks et al. 2007) may further put more women at risk of poverty and inadequate housing while retired. One fairly unexplored area of research and a challenge in practice is the aspect of gender in social housing and the adjustment of these public services to women's needs.

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